

**CYFARFOD BWRDD PRIFYSGOL IECHYD
UNIVERSITY HEALTH BOARD MEETING**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 May 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Withybush Hospital (WGH) Reinforced Autoclaved Aerated Concrete (RAAC) – Red RAG Rated Remedial Work at Physiotherapy, Gymnasium, Therapies, North-South Corridor and Pharmacy (Tender 3), WGH
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Andrew Carruthers, Executive Director of Operations Lee Davies, Executive Director of Strategy and Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Lee Davies, Executive Director of Strategy and Planning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

This report set out the position with regards to Reinforced Autoclaved Aerated Concrete Planks (RAAC) at the Withybush Hospital (WGH) site.

The surveys undertaken to date of RAAC at the WGH site have identified critical planks in need of intervention works across the hospital site. This includes the remedial works associated with Tender 3 at Physiotherapy, Gymnasium, Therapies, North-South Corridor and Pharmacy, in response to the risks identified and the costs to provide corrective action across the 2024/25 financial year. Funded by Welsh Government support, approval is sought to award the contract to deliver the main contract work for Tender 3, in line with Welsh Government guidance.

Cefndir / Background

RAAC is a material used in construction in many buildings between the 1960s and 1990s. Its presence has been confirmed in a range of National Health Service (NHS) properties across the United Kingdom (UK) and includes several properties in Wales. All actions now being undertaken by Hywel Dda University Health Board (HDdUHB) are fully aligned to revised industry guidance which was updated in early 2023.

This new industry guidance is based on more intensive research which has shown that this material has a far lower structural loading capacity than other generic reinforced concrete products. Due to this fact, there is a risk of structural collapse should the product fail. The condition of RAAC Planks has been shown to deteriorate if water is present due to roof leaks, etc, which can compromise the reinforcement bars contained within these planks.

The outcome of the survey to date for the ground floor is that critical planks have been found in concerning numbers. When critical planks are found, the affected areas are urgently supported with temporary propping to make the areas safe for reoccupation. Where this is not possible due to the number and location of temporary propping, areas will remain empty and closed until remediation is complete. We are working closely with specialist engineers to ensure that we

have appropriate systems in place to give assurance as we move forward with this discovery phase. In addition, we have planned for the temporary reprovision of service until full remediation.

The award of capital funding from Welsh Government to HDdUHB in respect of the mitigation of risks identified due to the presence of RAAC at WGH was gained on 29 August 2023, in the sum of £12.8m.

Asesiad / Assessment

This Contract Award is in line with Section 10 of the NHS Wales Infrastructure Investment Guidance. Paragraph 13 (3) of Schedule 2 to the National Health Service (Wales) Act 2006 requires Local Health Boards to obtain Welsh Ministers' consent to acquire and dispose of property and enter into contracts. Contract approvals over £1m for individual schemes will be sought as part of the normal business case submission process where funding from the NHS Capital Programme is required.

The Contract will be funded via the £12.8m WG funding and is in line with NHS Wales Shared Services Partnership's ("NWSSP") Construction Framework West: HDdUHB - £200k to £2million is compliant with UK/EU procurement legislation. This framework included several potential providers who had achieved inclusion on the framework following a qualification process.

The HDdUHB Estates, Facilities and Capital Management directorate seeks to establish a single call-off contract for the provision of RAAC remedial work, WGH at relevant areas in Tender 3. Call-off Contracts will be actioned by HDdUHB, utilising standard Joint Contracts Tribunal (JCT) contract templates (Intermediate Form of Contract and Agreements in place by Legal Team - Bevan Brittan). The framework is structured by awarding contracts on a rotational basis. The Call-Off option of direct award is available subject to supplier being next on rotation.

This multi-supplier framework agreement covers the provision of qualified construction contractors to undertake various packages of minor/intermediate and major works which meets HBUHB's requirements. All suppliers have been added to the framework following a robust and compliant tendering process, enabling the inclusion of suppliers both willing and able to provide customers with the construction related works required to meet the Health Board's strategic objective.

The tender was assessed in detail against subcontractor pricing, the framework agreed uplift percentages and the works requirements using industry data to benchmark the submitted rates and rates from previous phases of works to confirm acceptance and value for money. The tender was in line with the NWSSP construction framework – award and call off procedures:

- NWSSP Procurement Services Tender Reference CAP-OJEU-91888
- Region B: Lot 4 Projects from £200k to £2m - HDdUHB
- Rotational – Direct Award with Lewis Construction Building Contractors Wales Ltd

The HDdUHB and external cost adviser Atkins Realis, undertook the cost plan process and evaluation in accordance with the framework evaluation criteria, specification, schedules and assessment of the sustainability and overall value for money:

1. Framework Requirements – Award and Call off Procedure
2. Quoted Price / Commercial Arrangements - 100%
3. Social Value in Construction in-line with Framework Lot 4

4. The Framework Supplier will be required to assist the Authority in delivering its obligations under the Wellbeing of Future Generations (Wales) Act 2015, with respect to improving the social, economic, and environmental wellbeing ('Social Value) of the local area through its activities.

The budget for the contract works is £1,160,252.86 (excluding VAT). This includes work at the following areas in Tender 3:

- Physiotherapy
- Gymnasium
- Therapies
- North-South Corridor
- Pharmacy

Element	Cost
Construction works excluding total provisional sums and contingencies	£907,062.45
Total Provisional Sums	£124,382.50
Contingencies	£65,000.00
Main Contractor Overheads & Profit at 2.9%	£24,223.34
Proposed Contract Sum (Excl. VAT)	£1,120,668.29

The outcome of the suppliers' bid based on their written response resulted in a recommendation to award the contract to 'Lewis Construction Building Contractors Wales Ltd' for the works for Tender 3 in the sum of £1,120,668.29 (excluding VAT), as their bid offered the best fit with the key criteria, could meet the required timescales and offered the best overall value for money.

Argymhelliad / Recommendation

The Board is requested to:

- **APPROVE** award of the contract at £1,120,668.29 (excluding VAT) to 'Lewis Construction Building Contractors Wales Ltd', with call-off agreement to be prepared and executed by the Health Board.
- **NOTE** that, as the continued structural surveys take place at WGH, the construction framework suppliers will be asked to provide framework costs for the works required on a rotational basis as the requirements at each phase are confirmed.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol:	1382
Datix Risk Register Reference and Score:	1699
	1707

Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	1. Safe 2. Timely 4. Efficient
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. The best health and wellbeing for our individuals, families and communities
Amcanion Cynllunio Planning Objectives	8 Estates plans
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:

Ar sail tystiolaeth: Evidence Base:	Within report
Rhestr Termiau: Glossary of Terms:	Within report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Health and Safety Committee

Effaith: (rhaid cwblhau) Impact: (must be completed)

Ariannol / Gwerth am Arian: Financial / Service:	Capital Funding in place to deliver the RAAC remedial works.
Ansawdd / Gofal Claf: Quality / Patient Care:	Direct impact on patient environment.
Gweithlu: Workforce:	Staffing impacts being mapped out by operational site teams with full HR support.
Risg: Risk:	The risk is identified on the corporate risk register. Targeted meetings being arranged to manage the programme, to include development of project specific risk register.
Cyfreithiol: Legal:	Not applicable

Enw Da: Reputational:	High potential for media and political interest. Communication team supporting the programme.
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable